

BILL NO. 81-8

BOOK 6 PAGE 374
COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 81-8

Introduced by Council President Hardwicke & Council Member Barbara O. Kreamer

Legislative Day No. 81-4 Date February 3, 1981

AN ACT authorizing and empowering Harford County, Maryland, to
issue and sell, as limited obligations of the County and
not upon its full faith and credit, its industrial develop-
ment revenue bonds, in the aggregate principal amount not
to exceed \$1,000,000, pursuant to Sections 266A to 266-I,
inclusive, of Article 41 of the Annotated Code of Maryland,
for the purpose of financing the acquisition of a certain
industrial building, to be located at Bel Air Avenue and
Beards Hill Road in the Second Election District of Harford
County, Town of Aberdeen, Maryland, and to be owned by
Aberdeen Centre, Inc., a Maryland corporation, which
corporation will lease a portion of such industrial building

By the Council, February 3, 1981

Introduced, read first time, ordered posted and public hearing scheduled

on: March 3, 1981

at: 6:30 p.m.

By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place
of hearing and title of Bill having been published according to the
Charter, a public hearing was held on March 3, 1981
and concluded on March 3, 1981

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from
existing law. Underlining indicates language
added to Bill by amendment. Language lined
through indicates matter stricken out of Bill
by amendment.

BILL NO. 81-8

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BOOK 6 PAGE 375

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. _____

Introduced by _____

Legislative Day No. _____ Date _____

to the State Motor Vehicle Administration of the State of Maryland for its use as office facilities and a driving test area; and generally providing for and determining various matters, details, and procedures in connection therewith.

By the Council, _____

Introduced, read first time, ordered posted and public hearing scheduled

on: _____

at: _____

By Order: _____, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____ and concluded on _____.

_____, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

BILL NO. 81-8

RECITALS

Sections 266A to 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume and 1980 Cumulative Supplement), as amended (the "Act"), empowers all the counties and municipalities of the State of Maryland to borrow money by issuing revenue bonds for the purpose of financing the cost of acquiring any industrial building or buildings (as defined in the Act). The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State of Maryland, to encourage the increase of industry and a balanced economy in the State of Maryland, to assist in the retention of existing industry in the State of Maryland through the control, reduction or abatement of pollution of the environment (where proceeds of the bonds are used for that purpose), to promote economic development, to protect natural resources and in this manner to promote the health, welfare and safety of the residents of each of the counties and municipalities of the State of Maryland.

Harford County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), has received a letter of intent dated November 8, 1980 (the "Letter of Intent") from Aberdeen Centre, Inc., a Maryland corporation (the "Borrower"), an "industrial concern" as mentioned in the Act, pursuant to which the Borrower has requested the County to participate in the financing of the acquisition (within the meaning of the Act) of an industrial building (within the meaning of the Act) to be located in Harford County, Maryland (the "Industrial Building") by the issuance and sale by the County of its industrial development revenue bonds in the aggregate principal amount not to exceed \$1,000,000, pursuant to and in accordance with the Act. Pursuant to Resolution No. 3-81 (the "Preliminary

1 Resolution"), adopted by the County Council of the County
2 (the "County Council") on January 13, 1981 and effective on
3 January 26, 1981 (after acceptance and execution of the
4 Letter of Intent by the County Executive of the County and
5 the County Council President), the County has indicated its
6 commitment to issue and sell its industrial development
7 revenue bonds and to loan the proceeds thereof to the Borrower
8 for the purpose of financing the acquisition of the Industrial
9 Building by the Borrower. Based upon the findings and
10 determinations set forth in the Preliminary Resolution and
11 the findings and determinations set forth below, the County
12 has determined to participate in the financing of the
13 Industrial Building by the issuance, sale and delivery, at
14 any time or from time to time, of its industrial development
15 revenue bonds to be designated "Harford County, Maryland
16 Industrial Development Revenue Bonds (Aberdeen Centre, Inc.
17 Project)", in the aggregate principal amount not to exceed
18 \$1,000,000 (the "Bonds"), and loaning the proceeds of the
19 Bonds to the Borrower (the "Loan") upon the terms and
20 conditions of a loan agreement or other similar agreement to
21 be entered into between the County and the Borrower (the
22 "Loan Agreement), as permitted by the Act.

23 The Loan Agreement will require the Borrower (a) to use
24 the proceeds of the Bonds solely to finance the acquisition
25 of the Industrial Building and to pay such other costs as
26 may be permitted by the Act, and (b) to make Loan payments
27 which will be sufficient to enable the County to pay the
28 principal of and interest and premium, if any, on the Bonds
29 when and as the same become due and payable.

30 The Industrial Building, which is an "industrial building"
31 as defined in Section 266A of the Act, will consist of (a)
32 the acquisition of a certain parcel of land containing

1 approximately 13.471 acres located on Belair Avenue and
2 Beards Hill Road in the Second District of Harford County,
3 Town of Aberdeen, Maryland (the "Land"), (b) the construction
4 on such Land of an industrial commercial facility containing
5 approximately 10,000 square feet (the "Building") and (c)
6 the acquisition and/or construction of roads or other rights
7 of access, utilities and other necessary land and facilities.
8 The Borrower will lease the Building and a portion of the
9 Land to the State Motor Vehicle Administration of the State
10 of Maryland (the "MVA") for use by the MVA as office facilities
11 and a driving test area.

12 As security for the Bonds, the County will enter into
13 either (a) a trust agreement, or some similar instrument or
14 agreement (the "Trust Agreement") with a corporate trustee
15 (a "Trustee"), or (b) an assignment and security agreement,
16 or some similar instrument or agreement (the "Assignment")
17 with the original purchaser of the Bonds and, unless otherwise
18 determined by the County Council of the County (the "County
19 Council") in the Administrative Resolution (hereinafter
20 defined), a corporate trustee, which may be the original
21 purchaser of the Bonds (the "Project Fund Trustee"). Pursuant
22 to the Trust Agreement, the County will assign to a Trustee
23 or, pursuant to an Assignment, if an Assignment is entered
24 into, the County will assign to the original purchaser of
25 the Bonds (among other things) (a) all of the County's
26 right, title and interest in and to and remedies under the
27 Loan Agreement, including (without limitation) any and all
28 security referred to therein, excepting only the right of
29 the County to indemnification by the Borrower and to payments
30 to the County for expenses incurred by the County itself,
31 (b) the receipts and revenues of the County from the Loan
32 Agreement, (c) certain moneys which are at any time or from

1 time to time on deposit with the Trustee or the Project Fund
2 Trustee, as the case may be, (d) all right, title and interest
3 in and to and remedies with respect to any and all other
4 property of every description and nature from time to time
5 by delivery or by writing of any kind conveyed, pledged,
6 assigned or transferred, as and for additional security for
7 the Bonds, by the County or by anyone on its behalf or with
8 its written consent, to the Trustee or, if an Assignment is
9 entered into, to the original purchaser of the Bonds, and
10 (e) all of the County's right, title and interest in and to
11 and remedies under such other documents, including (without
12 limitation) mortgages, deeds of trust, guaranties and security
13 instruments as the County Council shall deem necessary to
14 effectuate the issuance, sale and delivery of the Bonds and
15 which the County Council shall approve by a resolution or
16 resolutions (the "Administrative Resolution") to be adopted
17 by the County Council prior to the issuance, sale and delivery
18 of the Bonds.

19 NOW THEREFORE, IN ACCORDANCE WITH THE ACT:

20 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF
21 HARFORD COUNTY, MARYLAND, That acting pursuant to the Act,
22 it is hereby found and determined as follows:

23 (1) The issuance and sale of the Bonds by the
24 County pursuant to the Act in order to lend the proceeds
25 thereof to the Borrower for the sole and exclusive purpose
26 of financing the acquisition (within the meaning of the Act)
27 by the Borrower of the Industrial Building will facilitate
28 and expedite the acquisition of the Industrial Building by
29 the Borrower.

30 (2) The acquisition of the Industrial Building
31 and the financing thereof as provided in this Ordinance will
32 promote the declared legislative purposes of the Act by (a)

1 creating employment opportunities, thus relieving conditions
2 of unemployment in the State of Maryland and in Harford
3 County; (b) encouraging the increase of economic development
4 and the creation of a balanced economy in the State of
5 Maryland and in Harford County; and (c) promoting the health,
6 welfare and safety of the residents of the State of Maryland
7 and Harford County.

8 (3) In addition to authorizing the County itself
9 to acquire the Industrial Building and either to lease or to
10 sell the same to the Borrower, the Act, as an alternative
11 procedure, also authorizes industrial building financing to
12 be accomplished in the form of a loan by the County to the
13 Borrower. The loan form of transaction avoids indirect
14 costs and burdens on the County by not requiring any direct
15 involvement by the County in the acquisition, ownership or
16 administration of the Industrial Building, while permitting
17 ample controls to be imposed on the use of the proceeds of
18 the Bonds to insure that the public purposes of the Act and
19 the Bonds are fully accomplished. It is, therefore, in the
20 best interests of the citizens of the County to finance the
21 acquisition of the Industrial Building by a loan to the
22 Borrower. This Ordinance contemplates and authorizes a
23 transaction in the form of a loan of the proceeds of the
24 Bonds by the County to the Borrower, rather than a transaction
25 in the form of a lease or sale of the Industrial Building.
26 Accordingly, this Ordinance, together with the Administrative
27 Resolution, the Loan Agreement, the Trust Agreement or the
28 Assignment authorized hereby, and the other documents referred
29 to herein, contains, or shall contain, such provisions as
30 the County deems appropriate to effect the financing of the
31 acquisition by the Borrower of the Industrial Building by
32 the loan form of transaction.

(4) Neither the Bonds nor the interest thereon shall ever constitute an indebtedness or general obligation of the County or a charge against, or pledge of the general credit or taxing powers of the County, within the meaning of any constitutional or charter provision or statutory limitation, and neither shall ever constitute or give rise to any pecuniary liability of the County. The Bonds and the interest thereon shall be limited obligations of the County, repayable by the County solely from the revenue derived from Loan repayments (both principal and interest) made to the County by the Borrower under the Loan Agreement and from any other moneys made available to the County for such purpose. The proceeds of the Bonds will be paid directly to the Trustee or the Project Fund Trustee to be held and disbursed by such Trustee or Project Fund Trustee as provided in the Trust Agreement or the Assignment to be approved by the County Council in an Administrative Resolution. Payments equal to the principal of and premium (if any) and interest on the Bonds will be paid by the Borrower directly to a Trustee or to the holders of the Bonds as provided in the Trust Agreement or, if an Assignment is entered into, to the holders of the Bonds. No such moneys will be commingled with the County's funds or will be subject to the absolute control of the County, but will be subject only to such limited supervision and checks as are deemed necessary or desirable by the County to insure that the proceeds of the Bonds are used to accomplish the public purposes of the Act and this Ordinance. The transactions authorized hereby do not constitute any physical public betterment or improvement or the acquisition of property for public use or the purchase of equipment for public use. The public purposes expressed in the Act are to be achieved by facilitating the acquisition of the Industrial

1 Building.

2 (5) The County will acquire no interest in the
3 Industrial Building other than (a) any general interest in
4 the Borrower's property shared by all holders of the Borrower's
5 obligations which rank and are secured equally with the
6 Borrower's obligations pursuant to the Loan Agreement, (b)
7 the lien and security interest created by the Loan Agreement
8 and (c) any interests created by any other mortgage or deed
9 of trust, a guaranty or other security instrument executed
10 and delivered by the Borrower or any third party as security
11 for the Loan as the County Council may provide for and
12 approve in the Administrative Resolution. The security for
13 the Bonds shall be solely and exclusively (a) the absolute,
14 irrevocable and unconditional obligation of the Borrower to
15 make the payments required by the Loan Agreement, (b) moneys
16 realized from the liquidation of any lien and security
17 interest created by the Loan Agreement and of any other lien
18 or security interest created with respect to any property as
19 security for the Loan or the Bonds as the County Council may
20 provide for and approve in the Administrative Resolution,
21 and (c) moneys realized from any guaranty of the Bonds or of
22 the Loan as the County Council may provide for and approve
23 in the Administrative Resolution.

24 (6) As required by Section 266G of the Act, the
25 County does hereby, and shall, by the execution and delivery
26 of the Trust Agreement or the Assignment, set aside and
27 pledge the income and revenue of the County from the Industrial
28 Building into a separate and special fund to be used and
29 applied in payment of the cost thereof. However, none of
30 such income and revenue shall be set aside as a depreciation
31 account (as mentioned in the Act), because such an account
32 would (a) be inconsistent with the transactions authorized

1 hereby, and (b) place an unreasonable burden on the Borrower
2 so as to adversely affect the feasibility of the transaction
3 and thus frustrate the legislative purposes of the Act. The
4 Borrower shall covenant and agree to properly operate and
5 maintain the Industrial Building during the time any of the
6 Bonds are outstanding. Such covenant and agreement shall
7 include a specific undertaking by the Borrower to make all
8 equipment replacements and repairs necessary to insure that
9 the security for the Bonds shall not be impaired.

10 (7) As evidenced by the Letter of Intent, the
11 Industrial Building is to be acquired by or for use by a
12 bona fide tenant or tenants or purchaser or purchasers and
13 by or for use by an industrial concern within the meaning of
14 the Act.

15 SECTION 2. AND BE IT FURTHER ENACTED BY THE COUNTY
16 COUNCIL OF HARFORD COUNTY, MARYLAND, That the County is
17 hereby authorized and empowered to issue and sell at any
18 time or from time to time and in one or more series, its
19 Harford County, Maryland Industrial Development Revenue Bonds
20 (Aberdeen Centre, Inc. Project), in the aggregate principal
21 amount not to exceed \$1,000,000, subject to the provisions
22 of this Ordinance. The proceeds of the Bonds will be loaned
23 to the Borrower pursuant to the terms and provisions of the
24 Loan Agreement, to be used by the Borrower for the sole and
25 exclusive purpose of financing the acquisition of the
26 Industrial Building. The Borrower will lease a portion of
27 the Industrial Building to the MVA for use by the MVA as
28 office facilities and a driving test area. The Bonds and
29 the interest thereon shall be limited obligations of the
30 County, repayable by the County solely from the revenue
31 derived from Loan repayments made to the County by the
32 Borrower pursuant to the Loan Agreement, and from any other

1 moneys made available to the County for such purpose. The
2 security for the Bonds shall be solely and exclusively as
3 provided in Section 1 of this Ordinance.

4 SECTION 3. AND BE IT FURTHER ENACTED BY THE COUNTY
5 COUNCIL OF HARFORD COUNTY, MARYLAND, Each of the Bonds shall
6 bear the descriptive title "Harford County, Maryland Industrial
7 Development Revenue Bond (Aberdeen Centre, Inc. Project)";
8 provided, that the descriptive title may contain such other
9 descriptive information as the County Council may prescribe
10 in an Administrative Resolution (e.g. "1981 Series").

11 SECTION 4. AND BE IT FURTHER ENACTED BY THE COUNTY
12 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds of any
13 series shall bear interest at such rate or rates as the
14 County Council may prescribe in the Administrative Resolution,
15 including an alternate rate of interest for any period
16 during which the interest payable on any of the Bonds of
17 such series is for any reason includible in the gross income
18 (as defined in Section 61 of the Internal Revenue Code of
19 1954, as amended) of the holder of any of the Bonds. Interest
20 on the Bonds shall be payable from such time and on such
21 dates as the County Council may prescribe in the Administrative
22 Resolution. The principal of the Bonds shall be payable on
23 such dates and in such amounts as the County Council may
24 prescribe in the Administrative Resolution.

25 SECTION 5. AND BE IT FURTHER ENACTED BY THE COUNTY
26 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds shall be
27 executed in the name of the County and on its behalf by the
28 County Executive of the County, by his manual or facsimile
29 signature, and the corporate seal of the County or a facsimile
30 thereof shall be impressed or otherwise reproduced thereon
31 and attested by the Director of Administration of the County,
32 by his manual signature. The Loan Agreement, the Trust

1 Agreement or the Assignment and, where applicable, all other
2 documents as the County Council shall deem necessary to
3 effectuate the issuance, sale and delivery of the Bonds,
4 shall be executed in the name of the County and on its
5 behalf by the County Executive of the County by his manual
6 signature, and the corporate seal of the County or a
7 facsimile thereof shall be impressed or otherwise reproduced
8 thereon and attested by the Director of Administration of
9 the County by his manual signature. In case any officer
10 whose signature or a facsimile of whose signature shall
11 appear on the Bonds or any of the aforesaid documents shall
12 cease to be such officer before the delivery of the Bonds or
13 any of the other aforesaid documents, such signature or such
14 facsimile shall nevertheless be valid and sufficient for all
15 purposes, the same as if such officer had remained in office
16 until delivery. The County Executive of the County, the
17 Director of Administration of the County and other officials
18 of the County are hereby authorized and empowered to do all
19 such acts and things and execute such documents and certificates
20 as the County Council may determine in the Administrative
21 Resolution to be necessary to carry out and comply with the
22 provisions hereof.

23 SECTION 6. AND BE IT FURTHER ENACTED BY THE COUNTY
24 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds shall be
25 executed, issued and delivered in such amount or amounts as
26 the County Council shall prescribe in the Administrative
27 Resolution; provided, however, that the aggregate principal
28 amount of Bonds issued, sold and delivered pursuant to this
29 Ordinance shall not exceed \$1,000,000.

30 SECTION 7. AND BE IT FURTHER ENACTED BY THE COUNTY
31 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds, which
32 may be engraved, printed, or typewritten, shall be dated,

1 shall be in such denominations, shall be of such form and of
2 such tenor, shall be payable in such amounts at such times
3 not exceeding 30 years from the date thereof, at such place
4 or places, and subject to redemption prior to maturity on
5 such terms and conditions, all as the County Council shall
6 prescribe in the Administrative Resolution.

7 SECTION 8. AND BE IT FURTHER ENACTED BY THE COUNTY
8 COUNCIL OF HARFORD COUNTY, MARYLAND, That prior to the
9 issuance, sale and delivery of the Bonds of any series the
10 County Council shall adopt the Administrative Resolution,
11 pursuant to which the County Council may (without limitation):

12 (a) prescribe the form, tenor, terms and con-
13 ditions of and security for the Bonds;

14 (b) prescribe the amounts, rate or rates of
15 interest, denominations, date, maturity or maturities (within
16 the limits herein prescribed), and the place or places of
17 payment of the Bonds, and the terms and conditions and
18 details under which the Bonds may be called for redemption
19 prior to their stated maturity;

20 (c) if a Trust Agreement is entered into, appoint
21 a bank having trust powers, or a trust company, as Trustee
22 for the Bonds and appoint a bond registrar and paying agent
23 or agents for the Bonds of such series, which may be the
24 Trustee;

25 (d) approve the form and contents, and authorize
26 the execution and delivery (where applicable) of (i) the
27 Loan Agreement, (ii) the Trust Agreement or the Assignment,
28 and (iii) such other documents, including (without limitation)
29 mortgages, deeds of trust, bond purchase agreements, guaranties
30 and security instruments to which the County is a party and
31 which may be necessary to effectuate the issuance, sale and
32 delivery of the Bonds;

1 (e) determine the time of execution, issuance,
2 sale and delivery of the Bonds and prescribe any and all
3 other details of the Bonds;

4 (f) provide for the direct payment by the Borrower
5 of all costs, fees and expenses incurred by or on behalf of
6 the County in connection with the issuance, sale and delivery
7 of the Bonds, including (without limitation) costs of printing
8 (if any) and issuing the Bonds, legal expenses (including
9 the fees of Bond Counsel) and compensation to any person
10 (other than employees of the County) performing services by
11 or on behalf of the County in connection therewith;

12 (g) if the Trust Agreement is entered into,
13 provide for the issuance and sale (subject to the passage at
14 the time of an appropriate ordinance authorizing the same)
15 of one or more series of additional bonds and one or more
16 series of refunding bonds; and

17 (h) do any and all things, and authorize the
18 officials of the County to do any and all things, necessary,
19 proper or expedient in connection with the issuance, sale
20 and delivery of the Bonds.

21 SECTION 9. AND BE IT FURTHER ENACTED BY THE COUNTY
22 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Loan Agreement,
23 the Trust Agreement or the Assignment, and any other document,
24 instrument, or agreement to which the County is a party,
25 shall contain such terms, provisions and conditions as the
26 County Council shall prescribe in an Administrative Resolution.

27 SECTION 10. AND BE IT FURTHER ENACTED BY THE COUNTY
28 COUNCIL OF HARFORD COUNTY, MARYLAND, That, as authorized by
29 the Act, the Bonds shall be sold by private (negotiated)
30 sale upon such terms and conditions as shall be approved by
31 the County Council in the Administrative Resolution.

32 SECTION 11. AND BE IT FURTHER ENACTED BY THE COUNTY

1 COUNCIL OF HARFORD COUNTY, MARYLAND, That the provisions of
2 this Ordinance are severable, and if any provision, sentence,
3 clause, section or part hereof is held illegal, invalid or
4 unconstitutional or inapplicable to any person or circum-
5 stances, such illegality, invalidity or unconstitutionality,
6 or inapplicability shall not affect or impair any of the
7 remaining provisions, sentences, clauses, sections, or parts
8 of this Ordinance or their application to other persons or
9 circumstances. It is hereby declared to be the legislative
10 intent that this Ordinance would have been passed if such
11 illegal, invalid or unconstitutional provision, sentence,
12 clause, section or part had not been included herein, and if
13 the person or circumstances to which this Ordinance or any
14 part hereof are inapplicable had been specifically exempted
15 herefrom.

16 SECTION 12. AND BE IT FURTHER ENACTED BY THE COUNTY
17 COUNCIL OF HARFORD COUNTY, MARYLAND, That this Ordinance has
18 no financial impact on Harford County, Maryland, and, therefore,
19 there is no requirement for a fiscal impact note.

20 SECTION 13. AND BE IT FURTHER ENACTED BY THE COUNTY
21 COUNCIL OF HARFORD COUNTY, MARYLAND, That this Ordinance
22 shall take effect sixty (60) days after the date that it
23 becomes law.

24 EFFECTIVE: May 6, 1981

25
26 *The Secretary of the Council does hereby*
27 *certify that fifteen (15) copies of this bill*
are immediately available for distribution to
the public and the press.

28 *Angela Markowski*
29 Secretary
30
31
32

DUU# 6 1981 389

BY THE COUNCIL

Read the third time.

Passed LSD 81-7 (March 3, 1981) ~~(with amendments)~~~~Failed of Passage~~

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive
 for his approval this 4th day of March, 1981
 at 3:00 o'clock P.M.

Angela Markowski, Secretary

BY THE EXECUTIVE

APPROVED:

Philip J. Proctor
County ExecutiveDate March 7, 1981

BY THE COUNCIL

This Bill (No. 81-8), having been approved by the Executive
 and returned to the Council, becomes law on March 7, 1981.

Angela Markowski, Secretary

Rec'd & Recorded 9-9-1981 at 4:20 A.M.
 Libr. 6 Folio 374 & examined per
 H. Douglas Chilcoat, Clerk, Harford Co.

EFFECTIVE DATE: May 6, 1981